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Director
Federal Regulatory Issues

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NYNEX

June 28, 1996

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JUN 28 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554

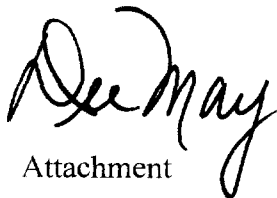
Re: CC 96-98 Implementation of the Local Competition Provisions in the Telecommunications Act of 1996

Dear Mr. Caton:

Mr. Don Evans and I, representing NYNEX, met with Mr. James Coltharp and Ms. Lauren "Pete" Belvin of Commissioner Quello's office today regarding CC 96-98. NYNEX presented its views as discussed in our Comments and Reply to Comments regarding the issues addressed in the Interconnection NPRM. Please find attached the charts used in the discussion.

Please contact me if you have any questions.

Sincerely,


Attachment

cc: L. Belvin
J. Coltharp



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NYNEX

IMPLEMENTATION OF THE
TELECOMMUNICATIONS ACT

June 28, 1996

GUIDING PRINCIPLES

- IMPLEMENT THE LETTER, SPIRIT AND INTENT OF THE TELECOMMUNICATIONS ACT
- PAY FOR THE NETWORK AND PROMOTE CONSUMER CHOICE
- OPEN THE NETWORK TO COMPETITION AND PROMOTE FACILITIES BASED COMPETITION

IMPLEMENT THE TELECOMMUNICATIONS ACT

- PURPOSE AND INTENT:
 - » PROMOTE CONSUMER CHOICE
 - » PROVIDE FOR INTERCONNECTION OF
COMPETING NETWORKS
 - » PROMOTE FACILITIES BASED
COMPETITION

IMPLEMENT THE TELECOMMUNICATIONS ACT

- TELECOMMUNICATIONS ACT PROVIDES FOR THREE COMPETITIVE MODELS:
 - » INTERCONNECTION: (SECTION 251 (C) (2))
CONNECTION OF COMPETING NETWORKS
AND MUTUAL COMPENSATION
 - » UNBUNDLED ACCESS: (SECTION 251 (C) (3))
AUGMENTING COMPETITORS NETWORKS
 - » RESALE: (SECTION 251 (C) (4)) “OFF THE
SHELF” SERVICES

PRICING PRINCIPLES

- FCC PRICING OBJECTIVES:
 - » UNBUNDLING SHOULD NOT BE USED TO AVOID PAYING RESALE OR ACCESS PRICES
 - » OBTAIN CORRECT PRICING LEVEL FOR UNBUNDLED ELEMENTS AND WHOLESALE SERVICES
 - TSLRIC IGNORES REAL COSTS
 - TSLRIC REDUCES INCENTIVES FOR FUTURE CAPITAL DEPLOYMENT
 - EMBEDDED CAPITAL COSTS ARE REAL

PRICING PRINCIPLES

- IMPLICATIONS OF ACHIEVING THESE OBJECTIVES:
 - » INFRASTRUCTURE HEALTH FOR THE LONG TERM
 - » FINANCIAL HEALTH OF THE INCUMBENTS
 - JOBS
 - INVESTMENT IN THE INFRASTRUCTURE
 - » COMPETITION OF COMPETING NETWORKS AND CONSUMER CHOICE BECOMES A REALITY

OPENING THE NETWORK

- FCC SHOULD CREATE AN ENVIRONMENT THAT PERMITS AND PROMOTES NETWORK DEVELOPMENT AND COMPETITION
 - » INNOVATION ON MORE THAN PRICE
 - FUNCTIONS
 - SERVICES
 - CAPABILITIES

OPENING THE NETWORK

- JUMP-START COMPETITION
- FOCUS ON INITIAL, WORKABLE SET OF UNBUNDLED ELEMENTS
- UNBUNDLED ELEMENT SHOULD BE DEFINED IN TERMS OF ITS FUNCTIONALITY
- ESTABLISH PRIORITY FOR MAXIMUM EFFECT
- ESTABLISH PROCESS FOR ACHIEVING LONGER TERM MARKET NEEDS

OPENING THE NETWORK

- THE NETWORK IS DESIGNED AS AN INTEGRATED WHOLE
 - » THERE ARE “NATURAL”, READILY IMPLEMENTED INTERCONNECTION POINTS
 - » THERE ARE OTHER “POSSIBLE” INTERCONNECTION POINTS, BUT THESE WERE NOT DESIGNED TO SUPPORT DEMAND ACCESS
 - CASE BY CASE ANALYSIS AND METHODS REQUIRED
 - ACCESS BASED ON TARGETED REQUESTS

OPENING THE NETWORK

- NYNEX URGES FCC TO ADOPT A TWO STAGE APPROACH
 - » ESTABLISH A MINIMUM INITIAL SET OF UNBUNDLED ELEMENTS
 - MEETS THE BULK OF INTERCONNECTORS' NEEDS
 - WILL JUMP-START COMPETITION QUICKLY
 - » ESTABLISH A WELL DEFINED PROCESS FOR:
 - IDENTIFYING AND NEGOTIATING ADDITIONAL ELEMENTS
 - ELIMINATES MASS DISRUPTION OF EXISTING SYSTEMS

OPENING THE NETWORK

- SUGGESTED INITIAL SET OF UNBUNDLED ELEMENTS

- » LOOP

- LOOP FROM CUSTOMER PREMISE TO THE ILEC'S CENTRAL OFFICE

- » TRANSPORT

- DEDICATED AND COMMON

- » SWITCHING

- END OFFICE AND TANDEM

- » SIGNALING

- SIGNALING LINK AND SIGNALING TRANSFER POINT (STP) PORT

OPENING THE NETWORK

- UNBUNDLED ELEMENT SHOULD BE DEFINED IN TERMS OF ITS FUNCTIONALITY
 - » ALLOWS FOR INFRASTRUCTURE UPGRADE TO STATE OF THE ART TECHNOLOGY